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November 9, 1970

MEMORANDUM OF CONVERSATION

Participants: L. K. Jha, Ambassador of India
Henry A. Kissinger, Assistant to the President
Harold H. Saunders, NSC Staff

Date and Place: 2:40 - 3:20 p.m., Monday, November 9, 1970, in
Dr. Kissinger's office

The Ambassador had asked to call on Dr. Kissinger to discuss the present state of U.S. -Indian relations.

Dr. Kissinger said that he had read reports of "many stormy conversations" [referring to those on October 23 between Secretary Rogers and Prime Minister Gandhi and on October 24 between the Secretary and Foreign Minister Singh].

The Ambassador asked what Dr. Kissinger's reaction had been.

Dr. Kissinger said he had heard only one side of the story. He was astonished, however, that anyone could feel that there has been a concerted campaign either against Prime Minister Nehru or his daughter. He said that, in the circles with which he is familiar, the reverse would seem to have been true--that there was a strong feeling of interest and support in Indian parliamentary democracy and its leadership. If the U.S. embassy in New Delhi is operating in ways not in the interests of the Indian government, this is not on instructions from Washington.

Ambassador Jha said that he was not prepared for the Prime Minister to raise this issue frontally with Secretary Rogers. When he had driven with the Prime Minister from the airport in New York, he was surprised to hear her say that she had seen signs of the U.S. embassy "cultivating or helping or whatever" the people most critical of the present government of India. She had said that those signs were of concern to her. She had spoken in a relatively low key then but, to the Ambassador's surprise, she had raised the matter in a direct way with Secretary Rogers. The constructive side of her doing so was that he, for the first time, felt that there was a dialogue on our bilateral problems.

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Dr. Kissinger said that this was not bad. Whether or not the Prime Minister is right, if there is a cause of concern to her it is better that she bring it out in the open rather than keeping it to herself.

The Ambassador said that was his view too. If this is a mental stumbling block in good relations, then it is better to get the facts out on the table. If the Prime Minister of India believes this, then it is a fact that we have to deal with, and it is better to eradicate the impression if it is erroneous.

Dr. Kissinger agreed that if the Prime Minister of India believes this, it is a fact to be dealt with whether right or wrong.

Ambassador Jha noted that the Secretary of State had tried to explore the causes of her concern. Having been with the Prime Minister when this problem first arose--after her visit to the U.S. in 1966--the Ambassador said he has tried to figure out what was in her mind. She had gone back to India at that time with the warmest feelings for the U.S. Before she had become Prime Minister, she had been in the U.S. privately lecturing and had also "got on very well."

When she visited the U.S. in 1966, the Ambassador continued, President Johnson and the Prime Minister had had a private tete-a-tete. The President had said to a larger group after that meeting that if the Prime Minister were able to work out a reasonable economic program with the World Bank then she would have the fullest support from the U.S. One outstanding issue with the Bank at that time was devaluation of the rupee. Those advisors who heard the President's comment took it to mean that the President was referring to the necessity of devaluation and of U.S. support for it if that measure were taken, although to be sure it was not clear from what he actually said that this was precisely what he had in mind.

The Prime Minister had gone back to India and devalued the rupee. This created a political storm because her opponents charged her with bowing to U.S. pressure. She defended her position, saying that her own economic advisers said it was desirable and necessary. But this did cause the first break with party leader Kamaraj, which led to a final rupture later.

Her moments of regret, however, came after that. During the Indian drought, it became known that every ship going to India was regulated by President Johnson. The impression was created in India that this was done to bring pressure on India on the issue of Vietnam.

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Dr. Kissinger said he had not been here then and asked Mr. Saunders whether he had been present at that time. Mr. Saunders replied that he had. He said that it was true that the U.S. grain shipments to India were closely regulated by President Johnson. But there was a wide range of issues on the President's mind--the need to persuade European countries to assume a greater share of the aid burden, the need to encourage India to take the final steps in its own agricultural revolution, the need to win greater Congressional support for economic assistance in general--and Vietnam did not seem to be a major issue, although lack of Indian support on Vietnam did complicate the President's efforts to win Congressional support for economic assistance to India.

Dr. Kissinger said that "our people" think it is important for them to run everybody's problems, so it would not surprise him if some bureaucrat had tried to use the grain shipments to try to change India's agricultural methods. But "we don't do things that way in this administration. This is a matter of style. If we were doing something of this kind, I would tell you." But "we don't like to do that kind of thing."

Ambassador Jha said that this kind of thing does still go on. The U.S. Embassy in New Delhi recently went to the Foreign Office and made a presentation on India's nationalization of banks, implying that if India took certain steps to include foreign banks it would have an adverse effect on the U.S. aid program. The Government of India had already decided not to nationalize foreign banks, and the Supreme Court had struck down its legislation on nationalization of Indian banks. But still the Deputy Chief of Mission in New Delhi came to the office of Jha's successor and said that if India nationalized foreign banks there will be certain effects. The style of talking down to the Government of India is inexcusable. If news of this U.S. advice leaked out, the Government would have to do just the reverse of what the U.S. requested.

Dr. Kissinger agreed that this kind of pressure was inexcusable. He recognized that the sensitivity in India toward foreign pressures is enormous. India has to be the best judge of its own interests. The intent of this administration is "less hectoring." Whether we can carry out our intentions at all times is less certain.

Dr. Kissinger continued by assuring the Ambassador that the administration recognizes that India is one of the great countries of the world. We recognize it will play an important role. We do not consciously intervene in Indian domestic political affairs. He said he was astonished at the Prime Minister's charges--though he would not charge her with being wrong. He felt it was better to speak candidly rather than in some sort of litany.

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The Ambassador said the Prime Minister was concerned about certain M. P. s and U. S. embassy personnel, not at the top. The M. P. s are some outside the Congress Party known to be working for the Prime Minister's downfall--S. K. Patil is one name and others are in the Jan Sangh party.

Dr. Kissinger noted that if the Ambassador went out to dinner with Senator Fulbright, the Administration could not object. If, on the other hand, the Ambassador fed Senator Fulbright with material critical of the Administration, the Administration would object. The work of the people in the U. S. Embassy in New Delhi is political reporting, but if they encourage or give support to opposition parties then that would be unacceptable.

Ambassador Jha said that the information on which the Prime Minister was operating was from Mr. Haksar, Assistant to the Prime Minister. There are two or three members of parliament who just do not have the resources to carry on the kind of campaigns that they are carrying on. Therefore, the evidence is no more than circumstantial.

Dr. Kissinger said it seemed to him inconceivable that the U. S. would be financing political opponents of the Prime Minister. He said he would look into the matter.

Ambassador Jha said he did not feel that the Embassy in New Delhi was assessing the Indian situation with sufficient depth in the following regard: If the Embassy is reporting that it suits the present government to take a pro-Soviet line, it does not understand the situation. The government, not having a majority of its own, must rely on other parties. Quite often necessary support comes from parties of the left. In style and presentation, there is a toning down of anti-Soviet issues and a sharpening of anti-Western issues. Foreign Minister Dinesh Singh had played to that gallery. However, if one looks at the strategy and tactics of the coming elections, it will be clear that a pro-Soviet position would be counter-productive. [The implication was that the Prime Minister would be seeking broad middle-of-the-road support and votes that would be cast for the more conservative wing of the Congress Party.] If this assessment is not available to the U. S., then something is lacking "in your policy planning."

In this context, the Ambassador continued, who is pressuring whom becomes relevant. If anything is done to please the Americans, then that is suspect.

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It is necessary that the Administration accept India as important. Assuming that this is the U. S. view, then the Ambassador felt a great deal more could be done to foster cooperation.

Dr. Kissinger said there is no problem about the proposition that India is important. "The President, the Secretary of State and I all believe this." There is no question that we should get on a more elevated plane. We realize that U.S. lecturing can sometimes be grating. Sometimes it is important to respect India's technical neutrality. We encourage India to take its own positions.

Dr. Kissinger said he felt we should try to get into a serious dialogue. We will understand that India cannot always go along with the U. S.

Dr. Kissinger then said that he would be prepared to arrange with the Ambassador that if the Prime Minister wants to bring something to the President's own attention the Ambassador would have direct access to Dr. Kissinger without going through the regular bureaucratic machinery.

Dr. Kissinger said that he would say that one problem is that the intellectual community in the United States has had a love affair with an India that exists only at the London School of Economics. He said that what he liked about India was its tough holding to a position that over the years had absorbed everyone. Indian students abroad reveal only the mystical side of India and not this tough side.

The Ambassador said he wondered whether the U.S. was considering some other alternative to India.

Dr. Kissinger said that if the Ambassador were referring to our recent arms decision, India must realize that Pakistan is a special problem-- not an alternative to India. Indonesia was really not an alternative. There is no alternative to five hundred million people. If we can't work with India, we will have to find others to work with but that would always be with a sense of loss.

The Ambassador said he could not take a categorical position against the sale of some arms to Pakistan and Prime Minister Gandhi is relaxed about it.

Dr. Kissinger said that the Ambassador's advice had had a lot of influence. We held up our decision as long as we possibly could.

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The Ambassador said that part of the Prime Minister's personal unhappiness is that she knew every party in her opposition would combine against her on this issue. But she has personally made an effort to put this in perspective. When she was asked on her return to New Delhi about what Secretary Rogers had said on this issue, her answer was, "The same as the USSR said when it gave arms to Pakistan."

Dr. Kissinger said that it really had been a very modest decision. By no stretch of the imagination would it affect the balance of power in South Asia.

The Ambassador said he agreed. In a purely military sense it was not significant.

The Ambassador continued that he knew Dr. Kissinger was not saying that Pakistan is more important than India and he asked Dr. Kissinger's advice on how to maintain a sound U.S. -Indian relationship.

Dr. Kissinger said that he thought that the Rogers-Gandhi conversation could be a positive point of departure. We should all talk about things that concern us and about issues on which our interests are parallel. He said he would be glad to see the Ambassador on any problems which concern him and he would feel free to call the Ambassador in when he saw something of concern. He said he could assure the Ambassador that there is good will here. We have many problems in common. Many of the issues that cause friction--like Vietnam--are passing. Dr. Kissinger said he thought that in a few years Vietnam would be more an issue for India than for the U.S. "You will be asking for our help."

The Ambassador asked whether there was anything the President was worried about in terms of the U.S. -Indian relationship.

Dr. Kissinger replied that there was not any one thing. But there is a vague feeling that India is not one of those countries from which we receive kind words very often. But when Indian interests parallel U.S. interests, if the Indian Prime Minister could offer a few gratuitous kind words it would be well received in the U.S. But now there is no particular irritation with India. There is no particular effort to downgrade India's importance. We want an understanding relationship with India. We recognize India will pursue its own policies. The U.S. would not want to have India as a stooge, even if that were possible. However, when our policies run parallel, the U.S. would consider India's support valuable.

HS.
Harold H. Saunders

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